

Message Text

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ACTION ABF-01

INFO OCT-01 EA-07 NEA-10 ISO-00 IO-10 IGA-01 AID-05 AGR-05

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FM AMEMBASSY BANGKOK

TO AMEMBASSY NEW DELHI PRIORITY

INFO DIRECTOR USGAO HONOLULU HAWAII

SECSTATE WASHDC 2183

AMEMBASSY ISLAMABAD

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FOR AMBASSADOR SAXBE FROM STAFFORD, MANAGER, BANGKOK
OFFICE, USGAO; SECSTATE FOR DIR OPERATIONS ANALYSIS
AND GAO LIAISON; AMEMBASSY ISLAMABAD FOR GAO REPRESENTATIVE BONNELL; FEM-76-0-22

E.O. 11652: N/A

TAGS: AFSP - AGAO

SUBJ: PUBLIC LAW 480 CONCESSIONAL SALES PROGRAM AND IMPACT
OF PL 480 AND DEVELOPMENT ASSISTANCE

REF: BANGKOK 19620

IN ADDITION TO REFERENCED ASSIGNMENT, THE U.S.
GENERAL ACCOUNTING OFFICE (GAO) HAS INITIATED A REVIEW
OF THE CONCESSIONAL SALES PROGRAM UNDER PUBLIC LAW 480,
TITLE I. THIS PROGRAM PROVIDES FOR U.S. GOVERNMENT
FINANCING OF SALES OF U.S. AGRICULTURAL COMMODITIES TO
FRIENDLY COUNTRIES. THE REVIEW WILL BE PERFORMED IN
INDIA, KOREA, INDONESIA, AND IN WASHINGTON, D.C. WORK
IN NEW DELHI WILL START ON OCTOBER 14, 1975. THE
DEPARTMENT OF STATE WAS ADVISED OF THIS REVIEW BY LETTER
DATED AUGUST 25, 1975.

THE OPERATION AND MANAGEMENT OF THE PUBLIC LAW 480,
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TITLE I CONCESSIONAL SALES PROGRAM INVOLVES A SERIES OF

DECISIONS ON COMMODITY AVAILABILITY, COUNTRY NEEDS AND ALLOCATION PRIORITIES, FUNDING CONSTRAINTS, AND CONGRESSIONAL MANDATES. ALSO, MANY AGENCIES ARE INVOLVED IN THE DECISION-MAKING PROCESS AFFECTING THE PROGRAM. THE OBJECTIVES OF THE GAO REVIEW ARE TO EVALUATE THE CONSIDERATIONS BEHIND THE DECISIONS AND THE EFFECTIVENESS OF THE DECISION-MAKING PROCESS.

THE REVIEW WILL CONCENTRATE ON (1) THE ADMINISTRATIVE PROCESS AND JUSTIFICATIONS FOR DETERMINING THE COMMODITIES AND QUANTITIES REQUESTED; (2) THE CONSIDERATIONS UPON WHICH THE SALES AGREEMENTS HAVE BEEN BASED; (3) IMPLEMENTATION OF THE AGREEMENTS, INCLUDING THE ROLE AND EFFECTIVENESS OF THE U.S. ADMINISTRATIVE OVERSIGHT, (4) COORDINATION OF PL 480 PROGRAMS WITH OTHER U.S. ASSISTANCE, (5) BENEFITS FROM FUNDING AGRICULTURAL DEVELOPMENT PROGRAMS AND STRENGTHENING LAND GRANT COLLEGE PARTICIPATION TO INCREASE WORLD FOOD PRODUCTION, AND (6) EFFECT OF ANNUAL DONATIONS ON PROGRAMS IN AID RECEIVING COUNTRIES.

CONCURRENT WITH THE PL 480 REVIEW, THE GAO TEAM WILL BE MAKING A REVIEW OF AID'S COMPLIANCE WITH SECTION 102(B)(5) OF THE FOREIGN ASSISTANCE ACT OF 1973. THIS WORK HAS BEEN REQUESTED BY THE SPECIAL SUBCOMMITTEE ON INVESTIGATIONS, HOUSE INTERNATIONAL RELATIONS COMMITTEE TO DETERMINE IF PL 480 AND OTHER DEVELOPMENT ASSISTANCE PROGRAMS ARE DESIGNED AND IMPLEMENTED SO AS TO REACH THE MOST NEEDY INDIVIDUALS AND REGIONS IN THE COUNTRY. THE DEPARTMENT OF STATE AND AGENCY FOR INTERNATIONAL DEVELOPMENT WERE ADVISED OF THIS REVIEW BY LETTERS DATED AUGUST 25, 1975.

THIS REVIEW WILL BE CONCERNED WITH FY 1975 AND 1976 DEVELOPMENT ASSISTANCE LOANS AND GRANTS AND THE PL 480 TITLE I AND II. THE AUDIT TEAM WILL REVIEW DOCUMENTS AT THE MISSION, INTERVIEW U.S. AND GOVERNMENT OF INDIA OFFICIALS AND PROGRAM RECIPIENTS, AND OBSERVE SELECTED PROJECTS TO DETERMINE IF PROJECTS HAVE DIRECT IMPACT ON THE MOST NEEDY. THE WORK WILL INCLUDE (1) DETERMINING LIMITED OFFICIAL USE

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MISSION DEFINITIONS OF THE TERMS "DIRECT ASSISTANCE" AND "MOST NEEDY," (2) REVIEW OF PROCESSES FOR PROGRAM DEVELOPMENT, PROJECT DESIGN, MONITORING, AND REPORTING BY VOLUNTARY AGENCIES, AND (3) DETERMINING THE DISPOSITION OF COUNTERPART FUNDS GENERATED BY PL 480 SALES.

IN ORDER TO FACILITATE THE REVIEW, WE REQUEST THAT PERSONNEL RESPONSIBLE FOR ADMINISTERING THE PUBLIC LAW

480 AND DEVELOPMENT ASSISTANCE PROGRAMS IN INDIA PROVIDE
A BRIEFING ON THESE PROGRAMS ON OCTOBER 15, 1975. IN
ADDITION, WE WOULD APPRECIATE THEM MAKING AVAILABLE
COPIES OF APPLICABLE PL 480 SALES AGREEMENTS, PROAGS,
LOAN AGREEMENTS AND CAPS FOR FISCAL YEARS 1975 AND 1976,
AND COPIES OF REPORTS SHOWING PROGRAM OPERATING DATA AND
REPORTS OF INSPECTIONS, AUDITS, AND SPECIAL STUDIES.

WORK ON THESE ASSIGNMENTS IN INDIA WILL BE UNDER
THE GENERAL DIRECTION OF JAMES N. STAFFORD, MANAGER,
BANGKOK OFFICE AND WILL BE PERFORMED BY THE FOLLOWING
GAO REPRESENTATIVES:

VALDIS KARKLIS, AUDIT MANAGER
JAMES R. BONNELL, SUPERVISOR
ANDREW H. MALINER
JAMES D. BARNES

I CERTIFY THAT MESSRS. KARKLIS, BONNELL, MALINER,
AND BARNES HAVE BEEN GRANTED SECURITY CLEARANCE FOR
OFFICIAL PURPOSES FOR ACCESS TO SECURITY INFORMATION
CLASSIFIED UP TO INCLUDING TOP SECRET ON THE BASIS OF
EXECUTIVE ORDER 10450. THIS CERTIFICATION IS NOT BE
HONORED UNLESS THE REPRESENTATIVES NAMED HEREIN PRESENT
OFFICIAL GENERAL ACCOUNTING OFFICE CREDENTIALS.

WE ESTIMATE THAT IT WILL TAKE THREE MEN ABOUT 10
WEEKS TO PERFORM THESE REVIEWS.

REQUEST HOTEL RESERVATIONS (3 SINGLES) FOR KARKLIS,
MALINER, AND BARNES AT THE ASHOKA HOTEL AND TRANSPORTATION
FROM AIRPORT TO HOTEL ON OCTOBER 14. WILL ARRIVE ON
PAA #1 AT 0350. DECONTROL UPON RECEIPT
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MASTERS

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06 JUL 2006

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